

ABSTRACT

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The present invention relates to a financial portfolio risk modeling system. The system
10 operates in a collaborative computing environment between the user and the portfolio
development system. The portfolio generating system models the user's personal
investment parameters into a user profile in terms of the user risk tolerance level, user
investment style and user bull/bear attitude. The system further calculates Value At Risk
(VAR) values for the user. The system filters various securities based on their VAR and
15 Beta values and present two list of filtered securities, with opposing Beta values,
matching the user profile. The present invention enables the user to swap securities in
and out of his existing portfolio and receive an analysis of the effect of the swap on his
portfolio. The model also generates an ideal portfolio based on the user profile. The
present invention presents the user with an estimated value of his portfolio, based on a
20 regression formula as well as a possible best and worst scenario based on statistical
formulas.